



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|-----------------|-------------|----------------------|---------------------|------------------|
|-----------------|-------------|----------------------|---------------------|------------------|

10/809,185

03/25/2004

Richard Postrel

370-029IB

6011

24002 7590 07/11/2008

ANTHONY R. BARKUME
20 GATEWAY LANE
MANORVILLE, NY 11949

EXAMINER

MEINECKE DIAZ, SUSANNA M

ART UNIT

PAPER NUMBER

3692

MAIL DATE

DELIVERY MODE

07/11/2008

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

| | | | |
|------------------------------|--------------------------------------|---|--|
| Office Action Summary | Application No. 10/809,185 | Applicant(s) POSTREL, RICHARD | |
| | Examiner Susanna M. Diaz | Art Unit 3692 | |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 11 April 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-3, 12-53 and 62-100 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-3, 12-53 and 62-100 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>5/14/08; 5/28/08</u> | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This non-final Office action is responsive to Applicant's election filed April 11, 2008.

Applicant has elected Species I without traverse.

Claims 1-3, 12-53, and 62-100 are presented for examination.

Claim Rejections - 35 USC § 112

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claims 51-53 and 62-100 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Independent claim 51 recites that the system comprises "the merchant." A merchant is understood to be a human being, which cannot properly be claimed as a system element *per se* within an apparatus/system claim.

Appropriate correction is required.

Claim Rejections - 35 USC § 101

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claims 51-53 and 62-100 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Independent claim 51 recites that the system comprises "the merchant." A merchant is understood to be a human being, which cannot properly be claimed as a system element *per se* within an apparatus/system claim. Under 35 U.S.C. § 101, living subject matter (e.g., a human) encompassed within a claimed invention as a whole is nonstatutory subject matter. Please refer to MPEP § 2105.

Appropriate correction is required.

For examination purposes, a priority date of March 12, 2004 is acknowledged since the previously filed parent cases do not fully support the claimed subject matter in the instant application.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 1-3, 12-53, and 62-100 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cohagan et al. (US 2005/0043992) in view of Official Notice.

Cohagan discloses a reward points system operating on a network, the network interconnecting with a plurality of merchants and at least one issuing bank for issuing a credit card to a user and a central rewards mechanism, wherein:

[Claim 51] the merchant comprises:

means for executing a purchase transaction with a user (¶¶ 50, 52, 84, 108, 109, 117);

means for accepting presentation of a token by a user for payment of the purchase transaction, the token having a user identification associated therewith (¶¶ 50, 52, 109, 117); and

means for providing purchase transaction information to the central rewards mechanism via the network (¶¶ 60, 109, 153, 161-165) to enable the central rewards mechanism to add reward points to a merchant reward point account associated with the merchant and the user (¶¶ 70-84);

[Claim 52] wherein the purchase transaction is a credit card transaction, the token is a credit card, and the user identification number associated therewith is the user's credit card number (¶¶ 50, 52, 109, 117);

[Claim 53] wherein the purchase transaction is a non-credit transaction, the token is a credit card, and the user identification number associated therewith is the user's credit card number, wherein the user may earn reward points into the user's reward point account associated with a merchant by presenting the credit card to the merchant only for purposes of referencing the user's reward point account with the issuing bank (¶¶ 50, 52, 109, 117 -- A credit card number may identify the consumer while cash, debit card, or check may be used to make payment, as seen in ¶ 64);

[Claim 62] wherein the means for providing purchase transaction information to the central rewards mechanism via the network to enable the central rewards mechanism to

Art Unit: 3692

add reward points to a merchant reward point account associated with the merchant and the user comprises means for transmitting an instruction to the issuing bank to add reward points to the merchant reward point account associated with the merchant and the user (¶¶ 70-84);

[Claim 63] wherein the central rewards mechanism comprises means for automatically adding reward points to the merchant reward point account associated with the merchant and the user based on a previously defined rule (¶¶ 70-84);

[Claim 64] wherein the previously defined rule provides for the central rewards mechanism to automatically add reward points to the merchant reward point account associated with the merchant and the user based on an item purchased by the user (¶¶ 70-84);

[Claim 65] wherein the previously defined rule provides for the central rewards mechanism to automatically add reward points to the merchant reward point account associated with the merchant and the user based on a purchase price of an item purchased by the user (¶¶ 72, 84);

[Claim 66] wherein the previously defined rule provides for the issuing bank to automatically add reward points to the merchant reward point account associated with the merchant and the user based on the geographic location of the merchant (¶¶ 72, 84);

[Claim 69] wherein the merchant further comprises:

means for executing a redemption purchase transaction with the user (¶¶ 70-84);

means for accepting presentation of a token by a user for payment of the redemption purchase transaction, the token having a user identification associated therewith (¶¶ 50, 52, 109, 117); and

means for providing redemption purchase transaction information to the central rewards mechanism via the network to enable the central rewards mechanism to subtract, from a merchant reward point account associated with the merchant and the user, the number of points used in the redemption purchase transaction (¶¶ 70-84);

[Claim 70] wherein the user executes the redemption purchase transaction completely with reward points from the reward point account at the central rewards mechanism (¶¶ 70-84);

[Claim 72] wherein the means for providing redemption purchase transaction information to the central rewards mechanism comprises means for transmitting, as part of the redemption purchase transaction, an instruction to the issuing bank to subtract reward points from the merchant reward point account associated with the merchant and the user (¶¶ 70-84)

[Claim 73] wherein the central rewards mechanism comprises means for automatically subtracting reward points from the merchant reward point account associated with the merchant and the user based on a previously defined rule (¶¶ 70-84);

[Claim 74] wherein the previously defined rule provides for the central rewards mechanism to automatically subtract reward points from the merchant reward point account associated with the merchant and the user based on an item redeemed for by

the user (¶¶ 70-84);

[Claim 75] wherein the previously defined rule provides for the central rewards mechanism to automatically subtract reward points from the merchant reward point account associated with the merchant and the user based on a redemption purchase price of an item redeemed for by the user (¶¶ 72, 84);

[Claim 76] wherein the previously defined rule provides for the central rewards mechanism to automatically subtract reward points from the merchant reward point account associated with the merchant and the user based on the geographic location of the merchant (¶¶ 72, 84);

[Claim 79] in which a cluster of participating merchants is established, each of which have merchant reward point accounts established with a central rewards mechanism (¶¶ 39-43);

[Claim 80] in which reward points from a reward point account associated with one of the participating merchants in the cluster may be redeemed with another participating merchant in the cluster (¶¶ 39-43);

[Claim 81] in which reward points from a reward point account associated with a merchant that is not a participating merchant in the cluster may not be redeemed with a participating merchant in the cluster (¶ 39 – Restrictions may be placed on where reward points are redeemed);

[Claim 82] a database comprising a plurality of reward point exchange accounts, each reward point exchange account associated with a user (¶¶ 9, 55, 73, 75);

means for allowing the selection of reward points from each of a plurality of

merchant reward point accounts associated with the user for exchange into the reward point exchange account (¶¶ 55, 73, 75); and

means for aggregating the selected reward points into the reward point exchange account (¶¶ 55, 73, 75);

[Claim 83] wherein the user redeems aggregated reward points from the user's reward point exchange account by executing a redemption purchase transaction with a merchant (¶¶ 70-84);

utilizing aggregated reward points from the reward point exchange account for the redemption purchase transaction (¶¶ 55, 73, 75);

and the reward point exchange account is reduced by the number of aggregated reward points utilized for the redemption purchase transaction (¶¶ 70-84);

[Claim 84] wherein a cluster of participating merchants are established, each of which have merchant reward point accounts established with the central rewards mechanism (¶¶ 39-43);

reward points are able to be aggregated from each of the participating merchants in the cluster into the user's reward point exchange account (¶¶ 55, 73, 75); and

reward points are not allowed to be aggregated from a merchant which is not a member of the cluster (¶ 39 – Restrictions may be placed on where reward points are redeemed);

[Claim 85] wherein aggregated reward points may be redeemed only with merchants that are members of the cluster (¶¶ 39-43);

[Claim 86] wherein the reward point exchange database is administered by an

operator on the network (§§ 70-84);

[Claim 88] wherein reward points from an independent reward point system may be aggregated into the reward point exchange account (§ 75);

[Claim 89] wherein the merchant requests via the credit card network approval of the purchase transaction from a central rewards mechanism by requesting approval of the purchase transaction via an acquiring bank that is part of the credit card network (§§ 50, 52, 109, 117);

[Claim 90] wherein the number of reward points added to the merchant reward point account is a percentage of a purchase price associated with the purchase transaction (§ 72);

[Claim 91] wherein the network is a credit card network comprising a central rewards mechanism and a plurality of acquiring banks, and a plurality of merchants (§§ 81, 160-165);

[Claim 92] wherein the network is a global communications network (§ 159);

[Claim 93] wherein the global communications network is the Internet (§§ 153, 159);

[Claim 94] wherein the network is a wireless network (§ 159);

[Claim 95] wherein the network is an interactive television network (§ 159);

[Claim 96] wherein the user executes the purchase transaction at a physical point of sale associated with the merchant and the user physically presents the token to the merchant (§§ 86, 128);

[Claim 97] wherein the user executes the purchase transaction via a web site associated with the merchant, and the user enters the user identification associated with

the token to the web site (¶¶ 50, 52, 86, 109, 117, 128);

[Claim 98] wherein the user executes the redemption purchase transaction at a physical point of sale associated with the merchant and the user physically presents the token to the merchant (¶¶ 86, 128);

[Claim 99] wherein the user executes the redemption purchase transaction via a web site associated with the merchant, and the user enters the user identification associated with the token to the web site (¶¶ 50, 52, 86, 109, 117, 128);

[Claim 100] wherein the user indicates the aggregation of selected reward points into the reward point exchange account via a web site over the Internet (¶¶ 70-84, 128).

Regarding claims 51-53 and 62-100, Cohagan's loyalty program is managed by a central rewards mechanism. While Cohagan involves a bank or other financial institution (such as a credit issuing entity) in its system, Cohagan does not explicitly disclose that an issuing bank performs the functions of the central rewards mechanism. However, Cohagan discloses an embodiment in which the third-party provider (who may be a bank or other financial institution, as seen in ¶¶ 60-61) processes the consumer ID data on behalf of a retailer so that the retailer does not need to provide a rewards terminal (¶ 109), thereby implying that Cohagan's system is capable of allowing any party (such as a bank or credit issuing entity) to manage reward information. Furthermore, Official Notice is taken that it was old and well-known in the art of incentive programs at the time of Applicant's invention for credit card companies (such as credit issuing banks) to manage their own rewards systems. Such rewards systems

Art Unit: 3692

in the credit card industry often encourage cardholders to make more purchases with their credit cards. Therefore, the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify Cohagan to allow an issuing bank to manage the central rewards mechanism in order to make Cohagan's invention more marketable as an incentive program within the credit card industry. It should also be noted that the specific entity managing the claimed incentive program does not affect any structural elements or manipulative steps of the claimed invention; therefore, the type of entity currently does not serve to patentably distinguish the claimed invention over the prior art.

As per claim 67, Cohagan does not explicitly disclose that the previously defined rule provides for the issuing bank to automatically add reward points to the merchant reward point account associated with the merchant and the user based on the date of the purchase transaction; however, Official Notice is taken that it was old and well-known in the art of incentive programs to provide consumers with incentives to purchase products on certain dates. For example, extra points may be rewarded for purchasing a product during a certain range of dates in order to encourage product purchase during those days. Since Cohagan manages a variety of incentive rules (¶¶ 70-84), the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify Cohagan such that the previously defined rule provides for the issuing bank to automatically add reward points to the merchant reward point account associated with the merchant and the user based on the date of the purchase transaction in order to encourage purchases during certain days.

As per claim 68, Cohagan does not explicitly disclose that the previously defined rule provides for the issuing bank to automatically add reward points to the merchant reward point account associated with the merchant and the user based on the time of day of the purchase transaction; however, Official Notice is taken that it was old and well-known in the art of incentive programs to provide consumers with incentives to purchase products at certain times. For example, extra points may be rewarded for purchasing a product during a certain time period in order to encourage product purchase during that time period. Since Cohagan manages a variety of incentive rules (¶¶ 70-84), the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify Cohagan such that the previously defined rule provides for the issuing bank to automatically add reward points to the merchant reward point account associated with the merchant and the user based on the date of the purchase transaction in order to encourage purchases during a certain time period.

Regarding claim 71, Cohagan does not explicitly disclose that the user executes the redemption transaction partially with reward points from the reward point account at the issuing bank and partially with other consideration; however, Official Notice is taken that it was old and well-known in the art of rewards to apply a monetary reward amount toward a purchase and then pay the rest of the purchase with cash, debit card, check, or credit card. Since Cohagan manages a variety of incentive rules (¶¶ 70-84), the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify Cohagan such that the user executes the

redemption transaction partially with reward points from the reward point account at the issuing bank and partially with other consideration in order to provide the user with an incentive to purchase a product that might cost more than the available reward amount. A discounted price for the product still serves as some encouragement to purchase the product (as opposed to paying full price for the product).

Regarding claim 77, Cohagan does not explicitly disclose that the previously defined rule provides for the issuing bank to automatically subtract reward points from the merchant reward point account associated with the merchant and the user based on the date of the redemption purchase transaction; however, Official Notice is taken that it was old and well-known in the art of incentive programs to provide users with special deals on point redemption valuation on certain dates. This encourages users to redeem their points on dates when their points are valued higher than on other days. Since Cohagan manages a variety of incentive rules (§§ 70-84), the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify Cohagan such that the previously defined rule provides for the issuing bank to automatically subtract reward points from the merchant reward point account associated with the merchant and the user based on the date of the redemption purchase transaction in order to encourage users to redeem their reward points on dates during which the point valuations are more valuable.

Regarding claim 78, Cohagan does not explicitly disclose that the previously defined rule provides for the issuing bank to automatically subtract reward points from the merchant reward point account associated with the merchant and the user based on

the time of day of the redemption purchase transaction; however, Official Notice is taken that it was old and well-known in the art of incentive programs to provide users with special deals on point redemption valuation during certain time periods. This encourages users to redeem their points during time periods when their points are valued higher than during other time periods. Since Cohagan manages a variety of incentive rules (§§ 70-84), the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify Cohagan such the previously defined rule provides for the issuing bank to automatically subtract reward points from the merchant reward point account associated with the merchant and the user based on the time of day of the redemption purchase transaction in order to encourage users to redeem their reward points during time periods when the point valuations are more valuable.

Regarding claim 87, Cohagan's reward point exchange database is administered by the central rewards mechanism; however, as discussed above, Cohagan discloses an embodiment in which the third-party provider (who may be a bank or other financial institution, as seen in §§ 60-61) processes the consumer ID data on behalf of a retailer so that the retailer does not need to provide a rewards terminal (§ 109), thereby implying that Cohagan's system is capable of allowing any party (such as a bank or credit issuing entity) to manage reward information as a central reward mechanism. Therefore, the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify Cohagan to allow an issuing bank to administer the reward point exchange database in order to make Cohagan's

invention more marketable as an incentive program within the credit card industry. It should also be noted that the specific entity managing the claimed incentive program does not affect any structural elements or manipulative steps of the claimed invention; therefore, the type of entity currently does not serve to patentably distinguish the claimed invention over the prior art.

Regarding claim 91, Cohagan does not explicitly disclose that the network is a credit card network comprising a plurality of issuing banks; however, as discussed above, Cohagan discloses an embodiment in which the third-party provider (who may be a bank or other financial institution, as seen in ¶¶ 60-61) processes the consumer ID data on behalf of a retailer so that the retailer does not need to provide a rewards terminal (¶ 109), thereby implying that Cohagan's system is capable of allowing any party (such as a bank or credit issuing entity) to manage reward information as a central reward mechanism. Therefore, the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify Cohagan to allow an issuing bank to perform the functionality of the central rewards mechanism in order to make Cohagan's invention more marketable as an incentive program within the credit card industry. Also, the third-party provider may be associated with a credit card (¶ 109) and multiple payment vehicles (including multiple credit card institutions, such as MasterCard®, Visa®, and American Express®) may be processed (¶ 108); therefore, the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to further modify Cohagan such that the network is a credit card network comprising a plurality of issuing banks in order to make

Cohagan's invention more marketable as an incentive program to several of the major credit card issuers within the credit card industry.

[Claims 1-3, 12-50] Claims 1-3 and 12-50 recite limitations already addressed by the rejection of claims 51-53 and 62-100 above; therefore, the same rejection applies.

Conclusion

8. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

The prior art references cited on the attached PTO Form 892 deal with loyalty programs.

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Susanna M. Diaz whose telephone number is (571) 272-6733. The examiner can normally be reached on Monday-Friday, 8 am - 4:30 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached on (571) 272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Art Unit: 3692

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Susanna M. Diaz/
Primary Examiner, Art Unit 3692